AN ANALYSIS OF OHIO FARMERS VIEWS AND RESPONSES TO THE WHEAT PRICE SUPPORT AND CONTROL PROGRAM

By

Mervin G. Smith
Francis B. McCormick
and
Donald D. Steward

Department of Agricultural Economics
and Rural Sociology
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SUMMARY

1. Wheat acreage on 152 Ohio farms surveyed was reduced 27% during the last two years while quotas were in effect.

2. About two-fifths of the farmers in this survey exceeded their allotments in 1954 and 1955.

3. More farmers complied with allotments in 1955 than in 1954 in northwestern and central Ohio, but fewer complied in 1955 in southeastern Ohio, where acreage allotments of wheat per farm are smaller than in other parts of the state, 82% having allotments of not over 15 acres.

4. About 33% of the farmers who complied with quotas in 1955 did so to avoid penalty, 9% to obtain a loan, and 11% to get A.C.P. payments. About 20% found that their allotment fit their cropping plans anyhow.

5. Of those who did not comply with quotas in 1955, about 58% stated they did not want to disrupt their rotation, and 35% did not want to split fields. About 10% said alternative grain crops were not profitable, about 7% complained about their allotment being too small to bother with it and 3% wanted to avoid open land in the winter - mostly in southeastern Ohio.

6. About 6% of those farmers who complied with allotments said they considered it a "duty as a citizen." On the other hand about 6% of those who did not comply said they thought it was undemocratic to restrict production.

7. Wheat yields were not necessarily increased as a result of quotas and reduced acreage in 1954. Yields actually were reduced mainly because of less favorable weather.

8. Only 10% of the farmers shifted the land removed from wheat to hay and pasture from 1953 to 1955. About 12% shifted the land to corn, 27% to oats, 13% to soybeans, and 9% to other small grains.

9. Apparently none of the farmers expected their fertilizing program to increase their wheat yield in 1955 over 1954. Only a few expected higher yields because of using more improved varieties and better land.

10. The portion of farmers not using fertilizer on wheat increased from 5 to 11% from 1953 to 1955.

11. The trend seems to be away from low nitrogen fertilizers such as 3-12-12 to higher nitrogen fertilizer 5-10-10 or 10-10-10.

12. More farmers are using complete fertilizers in their spring top dressings and fewer farmers are using straight nitrogen. About 18% of the farmers made spring fertilizer applications in 1955.

13. About 60% of the farmers growing wheat in Ohio indicated they had changed their cropping program as a result of acreage controls. About 37% of these farmers said it had caused them to split fields, 10% disrupted rotation, 24% shifted to some other small grains, 11% are raising more row crops. Other changes were increased meadow crops, more difficulty in getting meadow seedings, increased winter erosion and more uneven distribution of spring work.

14. About 28% of the farmers feel that their income was higher as a result of the wheat program, 12% thought their income was lower, 29% thought their income was not affected and 30% had no view or did not have an opinion.

15. Farmers who thought their income was higher because of the wheat program attributed it mostly to price supports or a combination of price supports and acreage restrictions.

16. Farmers who thought their incomes were lower as a result of the wheat program attributed it mostly to acreage restrictions.

17. About 60% of the farmers definitely expect that production controls and price supports will be continued.

18. Main reasons given by farmers as to why they thought the program would continue were in order of emphasis: (1) Controls needed to hold up prices considering our surpluses, (2) Large wheat producers have voting control, (3) General trend towards more government controls. Other reasons mentioned were: Farmers individually unable to control production and prices and A.S.C. employees will not permit programs to die.

19. Many of the 40% of farmers who thought the program would be dropped gave the main reason as "the growing dissatisfaction with the program."

20. Only about 8% of the farmers indicated they would reduce wheat acreage if price of wheat dropped. About 23% of the farmers would increase their wheat acreage and about 66% would not change their acreage. Some farmers indicated they would reduce the amount of fertilizer used.

21. Main reasons farmers gave why they would maintain or increase wheat acreage with lower wheat prices were: (1) wheat still more profitable than substitute crops - 33%, (2) need for wheat for feed and straw - 24%, (3) present rotation most satisfactory - 11%. Other reasons given were need for winter cover crop, distribution of farm work, continue use of special equipment, desire for crop diversification, greater yield certainty with wheat.

22. About 20% of the farmers said definitely they would change their rotation if wheat prices stayed low while 28% said definitely they would not.

23. Farmers in Ohio likely would not have voted for cross-compliance in 1955. About half of the farmers did not know what cross-compliance meant. Farm Bureau and Grange members surveyed indicated about one-half for and one-half against it. Non-organization members would have voted 2 to 1 against cross-compliance.

24. About one-half of the farmers surveyed were dissatisfied with past methods of arriving at allotments. However, not many have ideas as to how to improve the method.

25. There was no evidence found in this survey that either large or small farms were allotted a larger percentage of cropland for wheat.

26. About 90% of farmers surveyed thought all farmers should be allowed to vote on wheat quotas regardless of acreage of wheat produced.

27. About one-half of the farmers contacted seemed to have no views as to what should be done with wheat surpluses. Those who had some views most commonly said: (1) Feed needy people in U. S. (2) Feed starving populations of the world (3) Expand world trade and (4) Reduce price and sell to farmers for feed.

28. About 15% of the farmers in the survey obtained a government loan. Only 30% of those eligible obtained a loan. About 33% of the farmers sold most of their wheat at harvest, 26% held it for sale later, and 26% fed most of it. More of the northwestern and central Ohio farmers obtained loans.

29. Main reasons given by those who sold wheat at harvest were: (1) lack of farm storage, (2) save rehandling, (3) satisfied with price, (4) avoid risks of holding and (5) needed cash.

30. Main reasons given by those who held wheat on farm were: (1) expected better market price later, (2) elevators too congested at harvest.

31. Only 15% of the farmers surveyed voted in the wheat referendum in 1954, although 22% were eligible to vote. About 37% of these farmers voted for quotas. Only 24% of the farmers not eligible to vote were in favor of quotas.

32. Main reasons given for voting against quotas were: (1) Loss of independence and freedom of decision, (2) Does not help small farmers, (3) Disrupts farm organization. Those in favor of quotas thought that they were needed to hold prices and incomes up and reduce surpluses.

33. Younger farmers, those belonging to farm organizations, those growing more wheat and using the loans, and the farmers with recommended rotations tended to favor quotas more than other farmers, although in nearly all cases less than half of them were in favor of quotas.

34. Factors which did not seem to be related to views on quotas were size of farm, gross farm income, type of farming, possession of special equipment, and tenure status.

An Analysis of Ohio Farmers Views and Responses to the Wheat Price Support and Control Program*

by
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The purpose of this study has been to determine Ohio farmers' evaluations of and reactions to the present wheat price-support program, to determine their responsiveness to price changes, and to ascertain what effects the recent support program has had on farmers management decisions and on their incomes.

It is hoped that this report will have some value as a basis for further analyzing the present and past program as they apply to Ohio farmers in regard to wheat and that it will aid in the development of a more sound support program for the future. The report may also be helpful to farmers in understanding the effects of support programs. There appears to be a great need to encourage farmer's interest and give them help in understanding the broad aspects of governmental policy. Farm people need to be fully informed of the ramifications of alternative policies if they are to choose wisely from among these alternatives.

Description of Method

Inasmuch as wheat is a product which to a large degree, is marketed directly by farmers, it is frequently regarded as being affected more by the actions of government price support programs than are other crops produced throughout this geographical area. It was felt that the effects of the governments' price support policies would be most easily determined by an analysis of wheat policy applications.

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* This is a report of a phase of an Ohio Agricultural Experiment Station Research Project which is a contributing project to North Central States Agricultural Experiment Station Regional Project No. II. Material from this report will be combined later with other reports and materials to form regional publications.

To analyze the views and reactions of Ohio farmers, a personal contact survey was conducted in the spring months of 1955. Because of the time and expense required to conduct such a survey, the sample was limited to one-tenth of one percent of the 150,200 farmers who have wheat allotments in Ohio.[a/] To facilitate comparisons within the state, Ohio was divided into three districts. Farms within the districts were selected at random. Application of statistical tests indicated that the sample was reliable.

Table I- Number of Farmers from which Surveys were obtained, by District and Counties of Ohio, 1955

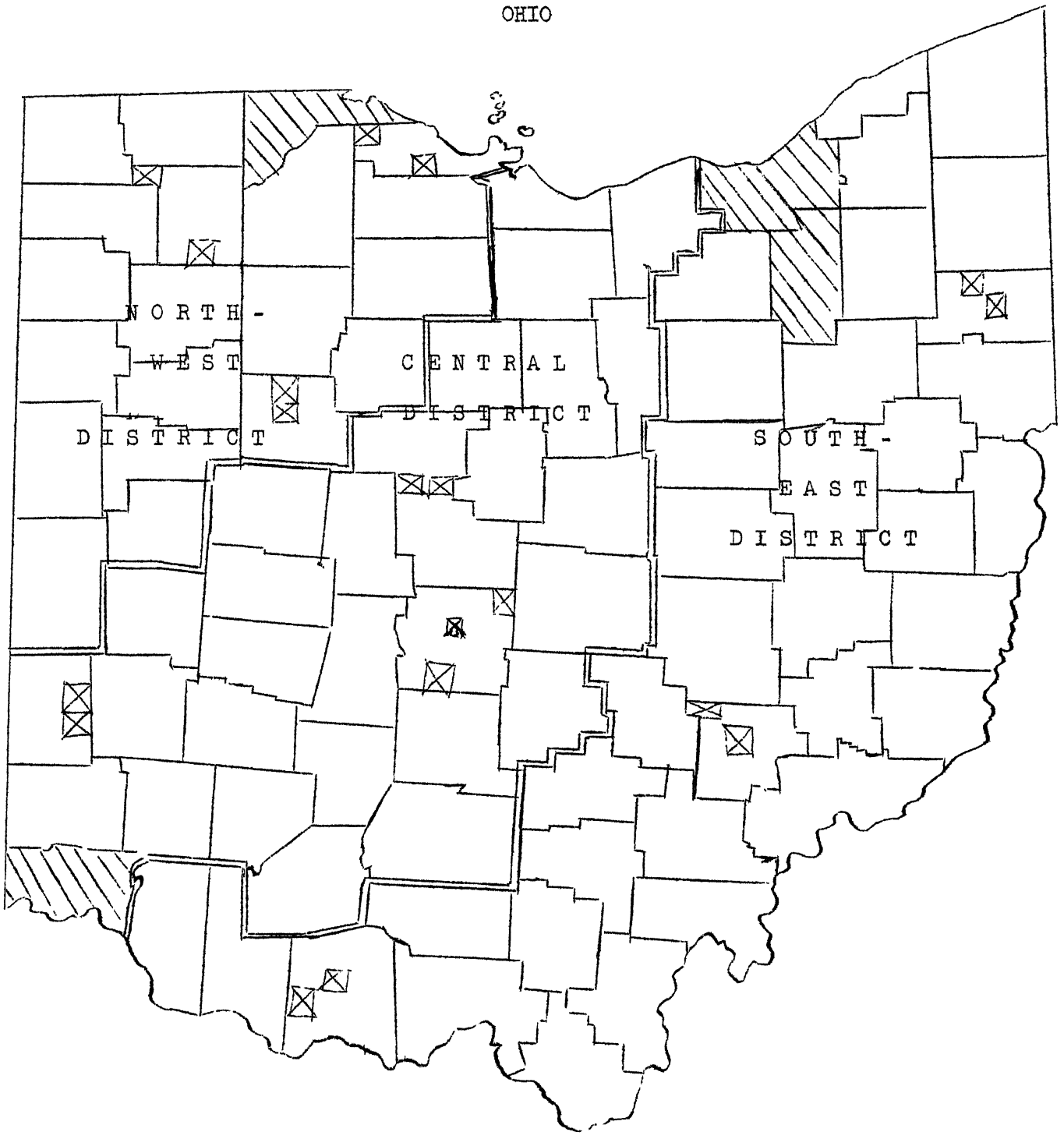
District and County	Number of Farmers	
Northwest District		
Henry	18	
Ottawa	16	
Hardin	16	
District total		50
Central District		
Marion	19	
Franklin	20	
Preble	16	
District total		55
Southeast District		
Mahoning	21	
Morgan	19	
Adams	17	
District total		47
Total		152

Success of Allotments in Reducing Wheat Production

The results of the survey indicate that the quota program in Ohio has been quite successful in reducing the acreage of wheat harvested in both 1954 and 1955. On the farms surveyed, farmers indicated the acreage of

a/ As of Dec. 7, 1953, the most recent and complete number of Ohio farms with wheat allotments was 150,228.

OHIO



Counties Omitted

X Townships Surveyed

wheat harvested in 1954 was only 83% as large as the acreage harvested in 1953. Acreage to be harvested in 1955 was 88% as large as acreage harvested in 1954. Wheat acreage has been reduced by a total of nearly 27% in the two years that quotas have been in effect.

Table 2. Wheat Acreage Allotted in 1954 and 1955, Wheat acreage harvested in 1953 and 1954 and to be harvested in 1955 on 152 Ohio Farms

	Acres 1953	Acres 1954	Acres 1955
Acreage allotted	--	2297	2195
Acreage harvested	3046	2540	2232

Acreage harvested has exceeded the total acreage allotted in Ohio in both of the past years. However, this is to be expected as those farmers with allotments of less than 15 acres were permitted to harvest up to 15 acres of wheat without being subject to penalties. In fact, the survey indicates that on two-fifths of all farms in Ohio, the wheat acreage in both 1954 and 1955 exceeded the allotted acreage. The degree of compliance among 152 farmers in 1954 was 56% and in 1955, 60% indicating that more of Ohio's farmers are now complying with allotments.

Though wheat acreage may be said to have been reduced in Ohio as a result of quotas, can the same be said regarding total wheat production? Wheat acreage and yields were obtained for the years 1953 and 1954 but farmers were hesitant from March to May, when this survey was made to predict yields of the 1955 wheat crop. Thus the figures on production pertain only to 1953 and 1954.

Table 3. Wheat acreage, Production and Yields on Farms Reporting for both 1953 and 1954, by District in Ohio

District	No. of farms reporting	1953 Total acres	1953 Total Production	1953 Yield Per Acre	1954 Total acres	1954 Total Production	1954 Yield per Acre
			bu.	bu.		bu.	
Northwest	44	1153	42,529	36.9	853	25,716	30.1
Central	46	1186	36,969	31.2	1076	31,084	28.9
Southeast	42	647	18,466	28.5	583	17,776	30.5
Total	132	2986	97,964	32.8	2512	74,576	29.7

As shown in Table 3, yields on the farms surveyed in 1954 were about three bushels per acre lower than in 1953. This yield factor, along with the 15-16% reduction in acreage led to a reduction in total wheat production of about 24%. In these years; therefore, it may be concluded that the quota program resulted in considerable decrease in Ohio production of wheat.

The success of the quota program in reducing production is, of course, contingent upon the yields of wheat obtained. Should the yields be higher as the result of any number of factors, the reduction in acreage may, over time, be countered by increased yields, thus resulting in little if any decrease in actual total production.

Diverted Acreage

As nearly 60% of the farmers contacted reported that they have decreased their wheat acreage, the question arises as to what use is made of the land diverted from wheat. The table below shows the percentage of farmers who report an increase in the acreage of different crops, due largely to the wheat quota program.

Table 4. Crops Substituted for Wheat by 152 Ohio Farmers, By District, From 1953 to 1955, a/

Crop Increased	Northwest % of Farmers	Central % of Farmers	Southeast % of Farmers	Ohio % of Farmers
Corn	20	9	9	12
Oats	18	38	23	27
Other small grains	0	13	15	9
Soybeans	28	9	2	13
Hay & Pasture	12	9	9	10
Other crops	2	0	0	1
No change made	34	38	45	39
No answer	4	0	4	3

a/ More than one crop substituted on some farms.

In northwestern Ohio, soybeans are being increased by 28% of the farmers and corn by 20%. In central and southeastern Ohio, the diverted acreage is largely being used for the production of more oats and other small grains, still permitting the seeding of meadows.

Throughout Ohio, only 10% of all farmers reported that hay and rotation pasture is being increased. This poses the problem of what effect will the use of diverted acreage have on the production of other crops and on the prices received for the other commodities. Will the increased production of soybeans and oats lead to unmanagable surpluses in those commodities, with correspondingly low prices? No attempt is made here to delve into this problem.

Changes in Management of Wheat Production

The view is often expressed that when farmers are compelled to reduce their wheat acreage, they often increase their wheat fertilization program, shift their production of wheat to the more productive land on the farm and in other ways attempt to increase their wheat yields so as to maintain as great a total production on the reduced acreage as was formerly obtained when production was not restricted.

Farmers were asked whether they felt they were obtaining higher yields in 1955 than in 1953 and 1954. Then they were asked what they thought were the factors leading to the expected changes in yields. Thirty percent of all farmers did not answer--------a sign of the hesitancy of farmers to preduct the future in face of the risks and uncertainties involved.

Of the farmers expressing an opinion, 26% thought yields were higher, 30% expected lower yields and 44% expected no appreciable change.

Of the farmers expecting higher yields, only 4% credited the increased yield to the use of improved wheat varieties and 12% to the use of better land. None credited higher yields to the factor of improved fertilization.

Table 5. Expected Change in Yield by 107 Ohio Farmers 1/ from 1954 to 1955, by Districts

	Northwest Percent	Central Percent	Southeast Percent	Ohio Percent
Higher	45	33	5	26
Lower	24	7	51	30
About the same	31	60	44	44

1/ Forty-five farmers gave no answer.

Weather was regarded as the dominate factor influencing yields; 84% of the farmers looking forward to higher yields credited this to more favorable weather in 1955.

Table 6. Farmers Reasons for Expected Changes in Wheat Yields from 1954 to 1955, Ohio.

Reason	Higher Yield Expected (28 Farms)	Lower Yield Expected (32 Farms)
Weather	84	43
Changed Fertilizer	0	4
Changed Wheat Variety	4	0
Quality of land	12	7
Seeded late--corn or beans late	----	57

Of the farmers whose yields were expected to be lower, the major reason given was, again, the weather. In some areas, the fall harvest of corn and soybeans was delayed by unfavorable fall weather; the resultant late seeding of wheat reduced the prospects of high yields.

Fertilization Practices

Though Ohio farmers failed to credit fertilization for any expected increase in yields, they, nonetheless, have made some changes in their fertilization program for wheat. About 35% of the farmers have increased the total fertilizer being used on wheat, 7% have reduced their application, and 58% report little if any change in their fertilizing program since 1953. These figures were calculated from the actual rates of application and analysis of fertilizer reported by individual farmers.

Since 1953, farmers have indicated a shift away from the popular 3-12-12 fertilizer and now are using more fertilizers that are higher in nitrogen, such as 5-10-10 and 10-10-10 or are merely using a higher analysis fertilizer such as 5-20-20.

Table 7. Analysis of Fertilizers 1/Used on Wheat by 152 Ohio Farmers, 1953 to 1955

Analysis	1953 Percent of farmers	1954 Percent of farmers	1955 Percent of farmers
3-12-12	76	73	66
5-20-20	3	3	9
5-10-10	8	13	14
10-10-10	0	1	4
Other	13	10	9

1/ Two or more analyses of fertilizer applied to wheat on some farms.

The survey shows that since 1953 the percent of farmers not applying any fertilizer on wheat has increased from 5% to 11%. Some of those farmers reported that with lower prices being received for their wheat, they felt it was no longer profitable to invest in higher priced fertili-

zer for the wheat crop.

In 1953, over 20% of the farmers who reported in this study made a spring application of fertilizer on their wheat. In 1955, the figure was 18%. Of the farmers making a spring application, the number using a straight nitrogen sidedressing has decreased from 35% to 22% while the number using a complete fertilizer high in nitrogen such as 10-10-10, has increased from 4 to 30%. Apparently in some years, the application of straight nitrogen in the spring has resulted in excess growth which has prevented a successful grass seeding in the wheat as well as reduced the wheat yield.

Compliance with Allotments

As stated earlier, about 60% of all Ohio farmers complied with allotments in 1955. Although, the degree of compliance with allotments was higher in 1955 than in 1954 in both the Northwest and Central Districts compliance in Southeastern Ohio decreased from 61 to 55%. The survey also shows that in the Northwest and Central Districts, 57% of the farmers had allotments of not more than 15 acres. In the Southeast District the figure was 82%. This information suggests that the lower percentage of compliance in the Southeastern part of Ohio may have resulted from the fact that more of these farmers have small allotments. These farmers are permitted to exceed their allotments provided they do not harvest over 15 acres of wheat.

The farmers in the other two districts, where larger allotments are more prevalent, do not have as much freedom to plant beyond their allotments.

Table 8. Compliance with Allotments by 152 Ohio Farmers by Districts, 1954 and 1955

Compliance	1954 Harvested Acreage				1955 Acreage to be Harvested			
	N.W.	C.	S.E.	Ohio	N.W.	C.	S.E.	Ohio
Complied	52%	51%	61%	54%	56%	65%	55%	59%
Didn't Comply	40	45	39	42	36	33	45	38
Both a/	8	4	0	4	8	2	0	3
Total	100%	100%	100%	100%	100%	100%	100%	100%

a/ Farmer had separate allotments on two or more farms complied on one or more farms but not all.

What made farmers decide to comply or not to comply with their allotments in 1954 and 1955? Part of the answer is shown in the two succeeding tables.

Table 9. Reasons Ohio Farmers Gave for Complying with Allotments, 1954 and 1955 a/

Reason Given a/	1954 87 Farmers Reporting	1955 88 Farmers Reporting
Duty as a citizen	13%	6%
Allotment fitted cropping plans	25	20
To avoid penalty	39	33
To obtain government loan	11	9
To get A.C.P. payments	6	11
Change beyond control - weather, etc.	2	12
Other	6	11

a / More than one reason given by some farmers.

One-third of the Ohio farmers surveyed stated that they complied in 1955 in order to avoid penalties; in 1954, the percentage was 37. The percent who stated that their allotments fitted their cropping plans decreased from 24% in 1954 to 20% in 1955. Twelve percent in 1954 and 6% in 1955 complied because they felt it was their duty as a citizen to cooperate with policy makers.

Since A.C.P. payments were contingent upon compliance with allotments in 1955 at the time this survey was made,1/ a number of farmers' decisions to

1 / This rule was nullified in late spring after this survey was completed.

comply were based on their desire to obtain the A.C.P. payment. This aspect was prominent in the Southeast District of Ohio.

Table 10. Reasons Ohio Farmers Gave for Not Complying with Allotments, 1954 and 1955.

Reason Given . .	1954 64 Farmers Reporting	1955 69 Farmers Reporting
To avoid splitting fields	34%	35%
To keep in rotation	58	58
Substitute small grains not profitable	5	10
Allotment too small to bother with	6	7
Undemocratic to restrict production	5	6
To avoid open land in winter	6	3
Other	12	11

Among the farmers who didn't comply, the basic reasons for so doing were related to the management problems created by the reduced acreage of wheat. Much of the attitude of Ohio's farmers towards the wheat quota program may be credited to the management problems created by the reductions in wheat acreage. As noted above, over 50% of the farmers who didn't comply stated the reason for not complying was due to the difficulty of staying within a set rotation should they choose to comply. Also, the reduced acreage often necessitated the splitting of fields if the farmers were to comply. Complaints against splitting fields were that it results in increased costs and inconveniences in seeding and harvesting the crops, and also in having added fencing problems in order to make use of succeeding crops in the split fields.

A few farmers based their decision for not complying on their view that the wheat quota program is undemocratic and thus unconstitutional.

In the more hilly section of Southeastern Ohio about 20% of the farmers offered as their reason for not complying the claim that by reducing their

acreage of wheat, they were forced to leave more of their land open to the hazards of severe winter erosion. Other fall-seeded small grains have not always been satisfactory as an income-producing crop or as a companion crop for the seeding of new meadows.

Farmers were also asked the question "In what way have you changed your cropping program" because of the acreage controls? Forty percent of the farmers stated that acreage restrictions had not caused changes in their cropping programs or rotations. Answers received from farmers whose cropping plans were altered are summarized in the succeeding table.

Table 11. Changes and Problems Resulting from Acreage Controls as Reported by 86 Ohio Farmers who Complied, 1953 to 1955. a/

Change Caused	Percent of farmers
Split fields	37%
Upset rotation and field plans	10
Raising more other small grain	24
Raising more row crops	11
Increasing meadow crops	3
More difficult to get good meadow seedings	3
Piles up work in spring	2
Increased winter erosion	4
Other	9

a/ Two or more changes reported by some farmers,

Effect of Support Program on Farmers' Incomes.

In what way do farmers feel the acreage control and price support program has influenced their income from wheat? Do farmers feel that the program has pushed wheat prices up enough to offset the forced reduction of acreage?

Twenty-eight percent of the farmers contacted felt that their wheat income in 1954 was higher than it would have been if the wheat market had been free from government influence and if there had been no limitations on production. Twelve percent thought their incomes were actually lower, 29% thought the program had no influence on their wheat income and over 30% expressed no view on this matter.

Table 12. Reasons Given for Lower or Higher Income from 1954 Wheat than Farmers Would have Expected had there been no Government Program.

Cause	Higher Income 36 Farmers Reporting	Lower Income 16 Farmers Reporting
Support Price	55%	12.5%
Acreage Restriction	8	69
Combined Effect	37	12.5
Neither	0	6

Of the farmers who thought that their income was actually lower in 1954 than it would have been had their been no government program, many thought that reduced acreage merely meant reduced income. The view was frequently expressed that the entire program had no favorable influence on the market price of wheat. In fact, in a couple of instances, farmers felt that the government loan rate actually held down the market price; i. e., had there been no government price interference, they felt the market price might have remained nearer the peak price following World War II.

Perhaps further economic analysis of the effect of the programs on income needs to be made. Wheat is a world commodity and so market supply in the United States is only a part of the world supply which may influence world price. Reduced acreage and production in this country may not result in a rise in price sufficient to cause larger farm income from wheat. With some commodities which do not enter foreign trade or which are traded in a small area, we have observed often that farmers receive larger income with smaller crops and smaller income with larger crops. The reason for this is "inelasticity of demand" for those commodities. It takes a relatively larger change in price to get small changes in consumption.

Many farmers in recent years likely have experienced lower income one year than the previous year as they have reduced acreage of wheat. However, the price support program in any one year probably held the price and income higher than it would have been without the program. On the other hand, in some short crop years price and income may have been lower because of the storage supplies being released by the government from accumulated stocks. Over a number of years, if total supplies were placed on the market as they were produced, prices might have fluctuated more, depending on the market supply. We cannot be absolutely sure what prices and farm income would have averaged over a period of years without these governmental activities. Incomes might be held higher for a number of years if the government continues to remove supplies from the market and heavily subsidizes the disposal of large supplies.

Continuation of Production Controls

Nearly 60% of the farmers contacted expected production controls and price supports to be continued into the future; 16% expected the quota program to be discontinued; 25% expressed no views.

Though 35% of the farmers expecting controls to be continued based their view on a need for continuation in order to maintain satisfactory wheat prices, 16% expected continuation because the larger wheat producers in the country, who get to vote on the referendums, are the beneficiaries (at the expense of the small farmers) and want the program continued. Another 18% were of the opinion that controls would be continued because they thought now that the government has succeeded in gaining considerable dominance over farmers' operations, it will not readily relinquish this control. Resentment towards local administration of the program, justly or not, may be partly responsible for some farmers feeling that as the jobs of many Agricultural Conservation Service and other government employees depend upon continuation of the wheat control program, these people will not permit the program to expire.

Table 13. Reasons Farmers Expect Continued Controls on Wheat Production a/

Reasons	Percent of Farmers Reporting
Need controls to hold up prices because of surpluses	35
Large wheat producers have voting control	16
General trend towards more (not less) government controls	18
A.S.C. Employees won't let program die	3
Farmers individually unable to control production and prices	6
Other	8
No answer	14

a/ 87 Farmers reporting

Of the 24 farmers who expected the production controls to be dropped, the dominant reason given was that farmers in general are becoming increasingly dissatisfied with the program and would demand its demise.

Farmer Responses to Price Changes

Many farmers seem to believe that if supply and demand were allowed to set a free market price for wheat, farmers throughout the country would adjust their production according. Though a free market might now result in low wheat prices, farmers would voluntarily decrease production sufficiently to bring the price of wheat again in line with other prices.

But how would farmers respond to marked changes in price? The question was asked, "How would your wheat acreage compare in 1956 with the acreage in 1955, if there were no controls on production, but prices were certain to drop below $1.50 a bushel, assuming all other prices were certain to remain about the same as they are now?"

Rable 14. Response in Wheat Acreage to a Marked Drop in Wheat Price Assuming Removal of Controls, 147 Ohio Farmers Reporting, 1955.

Change in Acreage	Percent of Farmers
Higher	23
Lower	8
The same	66
Undecided	3

Although a large drop in prices might be experienced, less than 10% of farmers contacted showed an inclination to reduce their wheat acreage. About 23% would even increase their acreage above what they are now permitted to harvest. Thus, at least in the case of wheat, farmers indicated that changes in production are not highly correlated with changes in price. They would not reduce acreage significantly in response to price declines. (However, with high priced fertilizer, many farmers likely would decrease fertilization of wheat and some reduction in yield might result.)

Reasons farmers gave for not reducing wheat acreage are presented in Table 15.

Table 15. Reasons 130 Ohio Farmers Would Maintain or Increase Wheat Acreage If Lower Wheat Prices Were in Prospect. a/

Reasons	Percent of Farmers
Wheat still more profitable than substitute crop	33%
Seed the wheat for feed and straw	24
Present rotation most satisfactory for farm	11
Wheat needed as a winter cover crop	9
Distribution of farm work over the year	9
Continue use of present special equipment	5
Desire crop deversification	4
Greater yield certainty	3
Other	17

a/ All other prices assumed to remain unchanged.

The desirability of continuing the present rotation and the inadequacy of other small grains as substitutes for wheat in the rotation indicates that the production of wheat under Ohio conditions is little affected by changes in price, at least in the short run and at present production levels.

The 8% of Ohio's farmers who stated that they would decrease their acreage of wheat, thought the income possibilities under the stated conditions would be better with crops that could be substituted for wheat.

The ownership of combines apparently had some influence on farmers views regarding wheat acreage in case of low wheat prices. Of the 91 farmers who owned combines 30% would increase wheat acreage. Of those hiring the harvesting, only 12% would increase acreage.

Area-wise, the Northwest farmers show a tendency to vary their wheat acreage more than do the Southeast farmers. The cropping programs of the Northwest Ohio farmer permit freer adjustment of cropping plans to changes in prices. Southeast Ohio farmers, many of whom feed the limited amount of wheat they produce, are less affected by grain prices in their decisions regarding crop production and are also less free to make changes in their cropping pattern.

Some farmers expressed the opinion that Ohio is not a great contributor to the national surplus and thus its' farmers should be freed from acreage controls. Some are also of the opinion that restrictions should be made more severe in those states where wheat is more prominent - such as Kansas.

Would farmers change their rotations if the price of wheat stayed low relative to other prices for a long-time period? About 20% of the farmers in the survey said they would change, 28% said they would not change and 52% were undecided. In the Northwest District 26% of the farmers said they would change while in the Southwest district only 6% would change their long-run plans.

Views on Cross-Compliance

As the Secretary of Agriculture had strongly considered enforcing cross-compliance in 1955, farmers were asked whether they felt it should be put into effect in the future, assuming the control program were continued. Half of the farmers asked this question were quite uninformed as to what the term cross-compliance meant and refrained from expressing any view. Some farmers who expressed views appeared to have little knowledge of what cross-compliance would mean though the term was familiar to them. Should the issue of cross-compliance be decided by a vote of farmers, it is doubtful if a majority would favor its application.

Members of farm organizations contacted in this survey voted one to one on the issue, whereas non-members voted two to one against cross-compliance. Grange members were more in favor of cross-compliance than Farm Bureau members.

Table 15. Views of 144 Ohio Farmers Towards Cross-Compliance, 1955

View	Farm Organizations		District			
	Members	Non-Members	N.W.	C.	S.E.	Total
For	24%	17%	27%	26%	7%	21%
Against	25	34	38	26	24	29
Undecided	51	48	35	48	69	50

Farmers of Northwestern Ohio where a larger proportion of farm income is from sale of crops were more familiar with the term cross-compliance and a larger percent were in favor of its' application.

Equity of Program to Individual Farmers

The claim is frequently made by Ohio farmers that the program of allotments as it is applied is not fair to all farmers. About one-half of Ohio's farmers in the survey do not feel that the method of setting allotments on the basis of past history of wheat production on the individual farms is satisfactory. Many have not, however, given much thought as to how the method of determining allotments could be improved. One fairly common suggestion was that allotments could be based on crop acreage. That is, once the allotted acreage for a particular area has been determined, the allotted acreage should be divided by the total crop acres in the area. Then, a like percentage of the cropland on each farm would be allotted to wheat. For example, a farm with 80 acres of cropland might have a 15 acre allotment and a farm with 160 acres of cropland would then have 30 acres in its' allotment.

Many farmers in the survey expressed the view that some farmers who have been heavily cropping and depleting their soils often obtain large allotments and some farmers following a sound, soil conserving rotation frequently receive such small allotments that their farming programs are disrupted.

To many such farmers, wheat is not a main source of income. It's chief value lies in it's use as a companion crop for the seeding of new meadows. To such farmers other small grains may be unsuitable as substitutes in the rotation.

Several farmers suggested that a more desirable approach might be to determine the size of allotments on individual farms on a soil-conservancy basis. Strong criticism might then come from some farmers who previously had much of their land in wheat and who would now be forced to make large acreage cuts in order to comply.

On the subject of how allotments should be determined, farmers who were members of farm organizations appeared to be better informed and have more positive opinions than non-members. Of the members only 11% had no opinion; 27% of non-members were undecided. Of those expressing views, 43% of the members of Farm Bureau and Grange registered dissatisfaction with the present method of basing allotments on the farms past history of wheat production. Of the non-members, 60% were dissatisfied.

How much variation exists in the percentage of cropland being allotted to wheat? Are larger farms favored in this aspect, as some farmers appear to believe?

Table 16. Wheat Allotments as Percent of Cropland, by Size of Farm, 138 Ohio Farms Reporting, 1954.

Percent of Cropland Allotted to Wheat	Size of Farm Acres			
	Under 100	100-199	200 and over	Total
7 and under	3%	9%	12%	8%
8-11	32	24	29	28
12-15	25	36	27	30
16-19	22	19	22	21
20 and over	18	12	10	13
Total	100%	100%	100%	100%

The previous table shows that on the farms studied there is considerable variation in the percentage of cropland being allotted to wheat under the present system. On 8% of the farms, not more than seven percent of the cropland was allotted to wheat, on 13% of the farms, 20% or more of the cropland was allotted to wheat. However, the data does not support the claim that larger farmers receive unproportionally large allotments.

Farmers were next asked, "Do you feel that all farmers who grow any wheat, regardless of the number of acres, should be allowed to vote on wheat quotas?"

About 90% of the farmers said all farmers producing wheat should be allowed to vote on quotas. A common view expressed was that it is undemocratic to limit the voting to only the larger wheat producers. Several added that all wheat farmers are affected to some degree by the price support program, thus all should have a voice in deciding whether quotas should be continued or dropped. Only 10% of the farmers who reported favored limiting the right to vote to the larger wheat producers.

The Problem of Surplus Disposal

Nearly 50% of Ohio's farmers contacted held no views on what should be done with the large surplus of wheat now held by the government. Many stated that they felt that the problem is for the government to handle and is of little or no concern to them as individuals. Some stated that "the government got itself into this mess and now it is their problem to get out of it".

Although a number of farmers intelligently discussed the problem of surplus disposal, others who suggested methods of disposal appeared to have given little thought to the matter prior to the time of the survey.

Suggestions for surplus disposal are tabulated below. Sentiment against communism was frequently expressed when farmers stated that no wheat should be

given or traded to any country which showed any indication of allegiance to Russia for fear that eventually the communists would obtain the wheat and benefit from it's use.

Table 17. Suggested Methods of Disposal of the Government Wheat Surplus, 152 Ohio Farmers, 1955 a/

Method of Disposal	Percent of Farmers
Feed needy people of U.S.	10%
Feed starving populations of world	19
Expand world trade	15
Reduce price, sell to farmers for feed	8
Re-sell on Wheat market	3
Destroy wheat - dump in ocean	1
Improve domestic marketing	1
No opinion	49

a/ More than one suggestion given by some farmers.

Method of Marketing Wheat

Of 147 farmers who produced wheat in 1954, about 15% reported that they obtained government loans, 33% sold a large part of their wheat at harvest, 26% held their wheat for later sale on the market and 26% fed most of the wheat they produced. About 30% of the farmers who were eligible for loans made use of this method of marketing.

Frequency of loans was higher in Northwestern and Central Ohio (18%) than in the Southeast District, (6%). Of the Southwest farmers, 60% reported that they fed most of their wheat on the farm. Of the Northwest farmers only 6% fed their wheat while 54% held their wheat for later sale.

Of the farmers with allotments of 15 acres or less, only 8% obtained loans; 30% of the farmers with allotments of over 15 acres made use of the loan.

Table 18. Method of Disposal of 1954 Wheat Crop by Size of Allotment and by District of Ohio, 147 Ohio Farmers, 1955.

Method	Size of Allotment-Acres		District of Ohio			
	15 or Under	Over 15	N.W.	C.	S.E.	Total
Government loan	8%	30%	13%	25%	6%	15%
Sold at Harvest	35	28	27	48	23	33
Hold for later sale	23	33	54	14	12	26
Fed on farm	34	9	6	13	59	26

Why did only 15% of Ohio's wheat producers make use of the loan program? Of the farmers who obtained loans, 86% reported that they thought that the loan price was enough higher than the market price to be profitable. Others reported that they needed the income from their wheat at harvest time.

Lack of adequate farm storage was the dominate reason for selling wheat at harvest time. Others were satisfied to accept the market price in order to save rehandling of wheat and to avoid the risks involved--risks of storage loss and price drop.

Table 19. Reasons for Selling Wheat at Harvest Time, 57 Ohio Farmers, 1955 a/

Reason	Percent of Farmers
Lacked farm storage	36%
Save rehandling of wheat	12
Satisfied with market price	12
Avoid risks of holding	11
Custom to sell at harvest	9
Needed cash	11
Rental situation	4
Wheat insignificant to total farm	4
Other	3

a/ More than one reason given by some farmers.

The fact that many farmers reported that they did not find it expedient to comply with allotments was a basic reason why relatively few of Ohio's farmers made use of the wheat-loan program. Many farmers appeared to discount heavily the

Table 20. Reasons for Holding Wheat for Later Sale, 40 Ohio Farmers, 1955

Reason	Percent of Farmers
Expected better market price later	61%
Elevators too congested at harvest	21
Habit--custom	4
Avoid income tax on two wheat crops in one year	8
Other	6

possible price advantage of the loan rate over market prices because of the management problems created in their cropping programs. In some cases, farmers reported that their production of wheat was small and the actual net profit expected from a government loan was too small to be worth the effort involved in using the loan.program.

Secondly, this survey indicates that over 40% of Ohio's farmers lack farm storage sufficient to meet the needs of that farm. In some areas, farmers reported that terminal storage facilities were also inadequate to meet the community's needs. A considerable number of farmers indicated that they might have obtained government wheat loans in 1954 if they had had adequate storage facilities.

Some farmers thought that the spread between the loan and market prices was not sufficient to cover the costs of obtaining a loan, especially when rental of storage was a direct cost. If this is the case, it may be that a sufficient number of farmers dispose of their wheat through government loans to reduce the quantity going on the public markets to the point where the market price is upheld to approximately the loan rate-minus the costs involved.

At the same time, it should be pointed out that apparently a small number of Ohio farmers hold the convection that, in reality, the government loan rate operates as a price ceiling and has prevented the market price from rising above this level.

Although 40% of the farmers lacked adequate storage facilities for small grain, it appears that as a whole, they may not be lacking for total wheat storage space. The 149 farmers who gave information of both wheat production and farm storage space available for wheat indicated total production of 74,600 bushels and available farm storage space for 83,700 bushels. The available space thus exceeded the 1954 wheat production by 12 percent. The problem exists, however, that the surplus storage space on some farms cannot be utilized easily by those farmers lacking in storage facilities.

It was not ascertained how much total space existed on farms, how much is needed for all grains, or how desirable existing facilities are for safe storage. This would seem to be an area for fruitful inquiry.

Voting on Wheat Referendums

In 1954, the vote on the wheat referendum by Ohio Farmers in this survey who voted, was 37% for quotas, 63% against. This was very close to the actual vote in Ohio. 1/ Only 15% of the farmers surveyed voted. Though 22% of the farmers were eligible to vote, many did not do so. Reasons given for not voting were: (1) Farm work was too pressing at the time and the farmer could not take the time to vote, (2) The farmer was undecided how to vote, (3) The issue was not of importance to the individual and, (4) The farmer lacked information about the time and procedure of voting.

Over 3/4 of the farmers contacted were not eligible to vote. Only those farmers with single allotments of more than 15 acres were eligible. As shown in Table 21, a higher percentage of the farmers not eligible to vote were opposed to acreage restrictions.

Table 21. Views of 129 Ohio Farmers Towards Continuation of Quota Program, 1955

Eligibility	For	Against
Elibible to Vote a/	39%	61%
Not Eligible	24	76
All Farmers	28%	72%

a/ Many of these farmers did not vote

The most common reasons farmers gave for voting in favor of quota were: (1) Need quotas to hold prices and incomes up, (2) To reduce the surplus

1/ In 1954, the total Ohio vote on the wheat referendum was 35.1% for quotas, 64.9% against.

and, (3) to cooperate with policy makers.

Reasons given by the farmers for voting against quotas are summarized in Table 22.

Table 22. Reasons Given by 88 Ohio Farmers For Voting Against Quotas, 1954 a/

Reason	Percent of Farmers Reporting
Loss of independence and freedom of decision	27%
Doesn't help small farmers who have no say	26
Disrupts farm organization too much	17
Supply and demand would solve problem	12
Prefer risk of free market price	11
Program undemocratic	10
Inconvenience, interferences	8
Controls too strict	7
Reduces total income	6
Program too costly	5
Other	5

a/ Includes all farmers who did or would have voted against quotas, whether they were eligible to vote or not.
b /Some farmers gave more than one reason.

Relationships of other factors to farmers' vote on quotas were analyzed and following are some of the results.

1. Age. Of farmers under 40 years of age, 38% favored quotas, of those between 40 and 59 years, 31% favored quotas, and of farmers 60 years old or over, only 12% favored quotas. The younger farmers appear to be more willing to accept governmental regulations.

2. Farm Organizations. Of the farmers surveyed who were members of Farm Bureau and Grange, 35% were in favor of quotas. Of farmers who were not members in either organization, only 18% were in favor of quotas. Whether the organizations exert this influ-

ence on their members or whether these people are essentially better informed on the broad aspects of the alternative policies or are different in other aspects (and membership is merely indidental) may be a matter of opinion.

3. Size of Farm. Results of this survey do not permit any conclusion that voting on quotas in Ohio is significantly influenced by size of farm or acreage of cropland.

4. Size of gross farm income, as with size of farm, does not give strong support to the hypothesis that size of farm operations induce any prominent influence in farmers' vote for quotas.

5. Type of Farming. Among all farmers who reported, type of farming appeared to exert no significant influence on farmers views towards quotas. Of the farmers who received less than 40% of their farm income from grain sales, 30% favored quotas. Of farmers receiving 60% or more of their income from grain sales, 31% favored quotas.

6. Ownership of Special equipment. As measured by ownership or hire of combines for wheat harvest, the factor of machinery investment has little if any influence on farmers views towards quotas. Though 26% of owners of harvesting equipment favored quotas and 33% of those not owning this equipment favored quotas, the difference is not significant. This might be expected under Ohio conditions where the equipment used with wheat is also generally used for other small grains and soybeans.

7. Compliance with allotments. Of the 80 farmers who complied with allotments in 1954, 36% favored quotas; of those who did not comply, only 16% favored quotas. This shows a significant correlation between compliance with allotments and farmers views regarding quotas.

8. Eligibility to vote on quotas. Of 33 farmers eligible to vote on quotas, 39% favored quotas. Of the 96 farmers who were not eligible to vote but who expressed a view regarding quotas, only 24% favored the quota system.

9. Method of marketing wheat. Over half (55%) of the farmers who made use of government loans in 1954 were opposed to acreage restrictions. Opposition to quotas was 72% among farmers who sold their wheat at harvest, 89% among those who held their wheat to sell later on the market, and 67% among those who fed their wheat on the farm.

10. Tenure status. The survey does not show any significant difference in views toward the quota program between owners and renters of Ohio farms.

11. Quality of farming program. Information was obtained regarding the rotations being followed and these were arbitrarily classified as being (1) Soil conserving, (2) Not soil conserving or (3) Unclassified. Though the classification was a matter of judgment, this analysis indicates that the better farmers, as reflected by the quality of rotations followed, were more in favor of acreage restrictions than the farmer whose rotations are not soil conserving.

Table 23. Influence of Quality of Farming on Farmers Views Regarding Quotas a/, 129 Ohio Farmers Reporting, 1955

Rotation	For	Against	Total
	percent	percent	percent
Soil Conserving	46	54	100
Not soil conserving	21	79	100
Unclassified	16	84	100

a/ As reflected by quality of rotations being followed.

In discussions with the farmers surveyed, the following points were often mentioned by farmers as being part of the reason why they did not favor continuing the wheat quota program.

1. Interference of acreage restriction in the farmer's cropping program.
2. Belief that the government program, with its restrictions, does not support the market price of wheat sufficiently to offset the reduced acreage.
3. Resentment of "the loss of freedom and independence" in the operation of the individual farm business.
4. Fear of continued "trend towards greater socialization of American agriculture--or even to communism and complete loss of the "American Way".